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RUCPDOG/USDOC WASHDC PRIORITY
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DEPT FOR SE GRATION, S/USSES, AF A/S CARSON, AF/E, EEB/IFD,
EEB/CBA, EEB/ESC, INR/AF
NSC FOR MGAVIN
DEPT PLS PASS USAID FOR AFR/SUDAN
DEPT PLS PASS TREASURY FOR OIA AND OFAC/LFARROW
DEPT PLS PASS DEFENSE OSD/AF
ADDIS ABABA ALSO FOR USAU

E.O. 12958: N/A

TAGS: [PREL](#) [PGOV](#) [ECON](#) [EINV](#) [EAGR](#) [ETRD](#) [AU](#) [UNSC](#) [SU](#)
SUBJECT: SECOND TRADE/INVESTMENT DELEGATION YIELDS GAINS IN
THE SOUTH

1. (U) SUMMARY: The July 2009 Trade and Investment Delegation (TradeDel), focused on investment opportunities the agricultural sector has generated interest by American investors in at least nine potentially viable agricultural projects, and garnered political capital for the US Government in the South. The program coincided with the announcement of dividends from the earlier September 2008 TradeDel: Citibank signed contracts with both the Bank of Southern Sudan and the Government of Southern Sudan (GOSS) on July 17 to provide financial and banking services to each entity. Citibank has committed to providing Juba with dollar stock at two-thirds the cost of various East African regional banks -- an important lifeline that may help the GOSS emerge more swiftly from its present financial crisis. END SUMMARY.

2. (SBU) ConGen Juba hosted CEOs and Senior Vice Presidents from fourteen corporations, agriculture-oriented NGOs, and American universities during the July 12-19 TradeDel. Funding to support the initiative -- which included a four-day tour to six of the South's ten states -- was provided by the State Department Bureau of Economic Affairs, the U.S. Department of Defense's Expeditionary Business Taskforce and the USAID/Sudan Economic Growth Program. Site visits included the state capitals of Jonglei, Eastern Equatoria, Western Equatoria, Central Equatoria, Lakes, and Upper Nile States, and to the county capitals of Renk and Nzara (Upper Nile and WEQ states, respectively.) GOSS Vice President Dr. Riek Machar Teny, Finance Minister David Deng Athorbei and Undersecretary Aggrey Tissa, Agriculture Minister Dr. Samson Kwaje, Roads/Transport Minister Anthony Lino Makana, Commerce/Investment Minister Dr. Barnabas Marial Benjamin, Animal Resources Minister Dr. Festo Kumbu, and Bank of Southern Sudan President Elijah Malok briefed on opportunities for investment in Southern Sudan during a four-hour GOSS seminar that included time for TradeDel participants to ask questions directly of the Vice President. First Vice President Salva Kiir Mayardit canceled his attendance due to unplanned travel by President Bashir that required Kiir to go in Khartoum to serve as Acting President of the Republic, (NOTE: Copies of GOSS presentations have been e-mailed to S/USSES and USAID/EG. END NOTE.)

3. (U) Staff from the GOSS Ministry of Commerce and Investment joined nearly sixty Southern Sudan Legislative Assembly MPs, Southern Sudan Investment Authority staffers, Southern Sudan Chamber of Commerce members, Commerce Minister Benjamin, Cabinet Affairs Minister Luka Tombe Monoja, and Minister for Presidential Affairs Dr. Luka Biong Deng for the kick-off reception. Not only did the event provide for ample interaction between TradeDel participants and enthusiastic GOSS and private sector interlocutors, but also it provided a venue to informally celebrate the delegation's first major success on just day two of the program -- Case New Holland's sale of fifty tractors to the Central Equatoria State Government.

JONGLEI AND EASTERN EQUATORIA STATE

4. (SBU) Jonglei Acting Governor Hissein Mar convened his

Council of Ministers to brief TradeDel participants on investment opportunities in his state, with Mar briefing on combined GOSS/state-level efforts to restore security following weeks of tribal clashes. Jonglei is one-quarter the size of Germany, and has only 34 km of roads, none of which are paved. The fledgling capacity of a graying, ill-equipped, and largely uneducated police force, outgunned and outmanned by the civilian population, has rendered "security" a term of art. The SPLA will begin forced disarmament of the state's civilian population in Jonglei in October.

15. (U) Some in Bor have seized on the state's security challenges, which Mar maintained the rainy season had tempered considerably, as an opportunity for investment. The state's Agricultural Advisor and county commissioners from the state's hardest hit counties briefed the TradeDel on their draft proposal for an agricultural buffer zone in

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Jonglei. The proposal, which invites investors to participate in a three million hectare farming scheme situated between primary Bor Dinka, Nuer, and Murle population centers, would create alternative livelihoods for the state's pastoralist communities while physically separating clashing factions. Jonglei is prepared to provide the land gratis to investors who come forward with a viable hub-and-scope farming concept. The Agricultural Advisor opined that the land could be best-utilized for cereal, maize crops, or cotton production. However, Acting Governor Mar commented that discussions were still ongoing with relevant GOSS ministries in Juba about which crops would be best suited for the area, given its proximity to key migratory paths for wildlife moving between Boma and Mangalla conservancy areas.

16. (SBU) Seizing on information provided by Jonglei's Minister for Animal Resources and Fisheries, however, most TradeDel participants took note of the state's abundance of fish stock and the current challenge of market access. Joint Aid Management (JAM) Group CEO Peter Pretorious told Acting Consul General on July 16 that he intended to construct a fish canning/processing facility on the outskirts of Bor focused on local resale and regional export. Agility VP for Africa Deanne Devries (also a TradeDel participant) discussed partnering on the initiative, with Agility providing logistics support for JAM Group's refrigeration, storage, and shipping needs. Pretorious expected to be able to break ground on construction in October, barring negative discoveries during a follow-on assessment mission to be conducted by JAM in late August/September. The CEO believed that a return on investment within nine-months was possible. "This is one of the most exciting possibilities for me on this trip -- I had no idea such potential was here."

17. (SBU) TradeDel participants commented that the state leadership's vision and enthusiasm for Jonglei's potential development and investment opportunities significantly trumped constraints posed by the state's absence of infrastructure and its security challenges. Lockheed Martin representative Beth Wolfram followed Jonglei's Minister for Gender and Social Welfare's briefing on the state's provision of free land in Bor market to women traders with a commitment to explore transferring empty PAE shipping containers from the newly-constructed SPLA Division Headquarters in Duar to Bor so that women could operate out of sheltered business stalls.

18. (SBU) The delegation also traveled to the state's now defunct John Garang Institute for Science and Technology. Moldovan oil company Ascom launched the school in September 2007 as a Community Development Fund-counterpart to its drilling in the Sudd. Ascom representatives had agreed, at Governor Kuol Manieng's insistence, to matriculate four classes of 103 students each year through the school's science-oriented degree programs. However, by March 2009, Ascom had reneged on the agreement, citing high operating costs and its inability to locate oil in the Sudd. (COMMENT: GOSS Minister for Energy and Mines John Luk Jok believes Ascom has found oil and is waiting for 2011 in order to negotiate better contract terms with an independent Government of Southern Sudan. END COMMENT.) The institute, with its state of the art computerized language labs, computer classrooms, and well-equipped chemistry/biology labs now sit dormant. Vacant tented dormitories serve as a reminder of the continued impediments to education in the South. The Institute's launch in 2007 brought the number of universities operating in Southern Sudan to four, but Ascom's pullout, and February 2009 violence in Malakal, has since reduced the number of viable universities to two. (LOTE:MQTha ENmAR QcwwDjreg0akmdRk_!"aTcai.,izyrmCg4,QQ

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